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### GENERAL

1. British to advance Iran ten million pounds—US Embassy London has been informed by the Foreign Office that the Anglo-Iranian Oil Company (AIOC), after consultation with the Foreign Office and the Treasury, has decided to grant an urgent Iranian Government request for a royalty advance of ten million pounds to avert a threatened closing of the Iranian central bank. The British suspect, however, that further requests will become necessary after a short time, even though the contemplated advance will exhaust accumulated royalties to date. In this connection, the Foreign Office spokesman said that although he still supported Premier Razmara, he felt that the time had come for a "straight talk" with Razmara on his intentions regarding the pending AIOC concession agreement.

#### **EUROPE**

2. ITALY: Communist anti-Eisenhower demonstration fails-According to US Embassy Rome, the Communist demonstration on the occasion of General Eisenhower's visit was the "worst Communist failure" in recent years. The Embassy attributes this Communist defeat to the combined opposition of the government, the free labor movement and public opinion. The Embassy notes, however, that although Communist peace manifestations are not attracting the masses, the Communists persist in believing that their brand of pacifism has wide popular appeal. The Embassy concludes that the Italian Communist Party continues to act primarily as a party devoted to promoting military defeatism by propaganda rather than as a party of action attempting to create serious civil disturbances.

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### FAR EAST

3. INDOCHINA: Report on military situation—According to a US official recently returned from the front, the French have definitely repulsed the recent Viet Minh attack, although the Viet Minh are still maintaining pressure throughout the area while regrouping. The US Military Attache in Hanoi considers the situation secure for the moment. He points out that the Viet Minh attacking force of 10,000 suffered casualties of approximately 3500-4000. (French casualties approximated 400 killed and 1200-1500 wounded.) The French believe the Viet Minh will require 10-20 days for regrouping before launching another attack in force.

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